

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.



FILE

FEB 10 1941

U. S. Department of Agriculture

United States Department of Agriculture  
Office of Information

AND-13-41  
Feb. 7, 1941

STRICTLY CONFIDENTIAL

All of this issue is confidential. It is not for circulation or duplication.

AGRICULTURE AND NATIONAL DEFENSE

FIRST 1941 MEETING OF AGRICULTURAL ADVISORY COUNCIL: How to provide economic first aid for the worst American casualty of the European war--the cotton and tobacco South--was up for discussion at the first 1941 meeting of the Agricultural Advisory Council in Secretary Wickard's office on Wednesday, Feb. 5.

The majority of members of the council attended the meeting. The membership represents organized producers, processors and distributors of agricultural products, and the general public. The organized farm group heads were accompanied by experts on cotton. Senator John H. Bankhead of Alabama met with the group also.

THERE WAS UNANIMOUS AGREEMENT ON THE FACTS OF THE COTTON EMERGENCY. None of the cotton experts of the Department or of business groups expects export of more than a million bales of raw cotton in this marketing year. Domestic consumption will hold at a high level--nearly 9 million bales--partly because the export of cotton textiles is being supported by a heavy subsidy. But consumption altogether will fall short by at least 2 million bales of using up the 1940 crop and the loan stocks will increase. If war continues the export market will be no larger in 1942 than in 1941.

THUS, THE CONSUMPTION IS LIKELY TO BE SMALLER THAN THE NORMAL PRODUCTION on even the restricted acreage under the current Agricultural Adjustment Act. Many present cotton producers won't find a remunerative market for their labor in producing cotton. Only a small fraction of these surplus workers will find employment and pay in the defense industries which have been located in the cotton States or will draw labor from the cotton States, Chester Davis, agricultural commissioner of the WDAC, reported. He stated that but 10 percent of the new plants for defense production presently placed have been located in the 13 cotton States; but 13 percent of the investment in new plant facilities so far authorized will go into these States. He expressed the hope that a larger proportion of the next series of plants to be authorized will go into the southern States, but held out no hope that more than a small part of the surplus farm population would be absorbed through such decentralization of industry.

In this general situation, the council agreed that the supplemental cotton program for 1941 (which was reported by Assistant Secretary Grover B. Hill) is a wise and necessary move.

THERE WAS NOT COMPLETE AGREEMENT ABOUT THE PROSPECTS FOR COTTON EXPORTS after the war ends. All agreed that every feasible effort should be made to revive the export market, but opinions differed about the effectiveness of the efforts. Hence views differed on what should be the shape and size of a long-term public program for assisting cotton producers to adjust their industry in the post-war world.



The whole range of proposals that have been made in the past was reviewed by the group with an eye to the usefulness of each in supporting the income of cotton farmers during the war-time emergency. Each had its advocates--the income certificate plan, the high loan plan, the trade-off of Government-held cotton for voluntary acreage reduction below the limit set in the Act, subsidizing of domestic consumption through such devices as the cotton stamp plan, subsidizing of exports (representatives of the cotton factors and of the BAE agreed that under war-time conditions not more than 150,000 bales per year could be pushed into export with a subsidy). TWO NEW PLANS WERE ADVOCATED. One was a combination of a low loan, plus a Government purchase program to take off the market and impound the difference between the current year's estimated consumption and the current year's crop, plus a price adjustment payment similar to that in the 1935 cotton program. One was the use of the powers in the Act which finally evolves from the lend-lease bill (H.R. 1776) to send cotton into export.

It was pointed out that (1) even if parity prices were obtained for cotton, the incomes of cotton producers (saying as many families continued to produce cotton as now) would be uncomfortably low; and (2) that the price of cotton was immaterial to the welfare of a large group of distressed southern farmers who do not grow cotton at all.

COMMISSIONER DAVIS SUMMED UP THIS PHASE OF THE DISCUSSION in his statement that the welfare of the farm people of the South and of all people of the South can best be furthered by increasing industrialization of the region to provide work opportunities for the hundreds of thousands of families not needed on the land.

None of the proposals for action to deal with the present agricultural emergency in the cotton belt received majority support of the conferees, nor was any combination of the proposed measure endorsed by a majority. However, the Secretary in his concluding remarks voiced the unanimous opinion of the Council that the session had helped to clarify the thought of those who took part, and lay the basis for final agreement on recommendations for both emergency and long-time programs.

ARMY OKAYS NEW MILITARY AIRFIELD AT BELTSVILLE: The Army Air Corps has recommended construction of a new military air field and airdrome at the Beltsville Research Center. The new field will serve as a part of the air defense of the Nation's Capital, along with Bolling field and the Naval field at Anacostia. Present plans call for the construction of three runways, hangars for 78 planes, barracks for personnel (probably housing facilities for about 2,000 men, the complement of a pursuit group) and all usual airport facilities. The Department had previously placed the land at the Army's disposal.

FOREST PRODUCTS LABORATORY TO MAKE NEW SHELL PLUGS: Naval experts will test a new kind of shell-closing plug developed at the Forest Products Laboratory, Madison, Wis., as a substitute for the cork plugs now used. The Navy has just transferred funds to the Laboratory to cover cost of moulds to manufacture a limited number of the new plugs.

FOREST SERVICE PLYWOOD EXPERTS CONFER WITH ARMY AIR CORPS: Three technicians of the Madison, Wis., Forest Products Laboratory were called to Washington this week to confer with the Army Air Corps and the Navy Bureau of Aeronautics regarding possible use of woods and plywood in airplanes. The schedule includes visits to the Naval Aircraft factory at Philadelphia and the Wright plant at Dayton, Ohio.





SUMMARY OF CABLES ON FOREIGN DEVELOPMENTS: UNITED KINGDOM: No real liquidation has yet occurred in any type of livestock. Beef and dairy cattle and sheep are expected to be maintained during the second year of the war, and dairy herds even increased. Hog numbers will be substantially reduced, however, and poultry flocks also may be affected. Developments depend primarily upon the flow of imported feed supplies. Feed grain imports in second year of the war are expected to be not more than one-third of normal against which must be set some increase in domestic substitutes. Current oilcake supplies are probably normal or better. The shipping situation favors North American feeds.

Ministry of Food announced on February 4 arrangements with millers and bakers for immediate production of whole milled flour and bread in quantities sufficient, it is hoped, to meet all demands, and at the same price as white bread. Eighty-five percent extraction decided on as the maximum for digestibility and nutriment.

FRANCE: Conflict of official figures obscure the wheat supply situation but the Agriculture Ministry claims wheat stocks 184,000,000 bushels below January 1 figures quoted by Food Ministry. It is now estimated that unoccupied France will experience a 220,000,000 -bushel wheat shortage before the next harvest. This estimate includes all possible deliveries from North Africa. Imports from outside the French Colonial Empire must be obtained if this shortage is to be made up. Present indications are for reduced bread rations.

PORTUGAL: Unofficial estimates place winter wheat sowings at 1,236,000 acres, or about the same as last year, with production reaching 18,000,000 to 22,000,000 bushels. The rye acreage of 321,000 acres was expected to yield between 3,700,000 and 3,900,000 bushels. Last year's wheat and rye crops were 9,900,000 and 2,400,000 bushels respectively. Growing conditions have been satisfactory to date. Floods in certain areas have caused minor losses, but compensating replanting is expected.

NORWAY: The food situation is becoming increasingly serious, with eggs, cereals, meat and all canned foods, except fish, being practically unobtainable. The only fresh foods obtainable are lemons, oranges and apples of poor quality. Unless by late spring the situation improves, it is probable that real suffering will result. Effective February 3 all cellulose mills were ordered closed for a period of 3 months because of a coal shortage which is said to result from transportation difficulties in Germany.

